

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 28, 2011
POSITION: Neutral
SPONSOR: Environmental Justice Coalition for Water;
California Rural Legal Assistance Foundation

BILL NUMBER: AB 1221
AUTHOR: L. Alejo

BILL SUMMARY: Water Quality Control Fund: Pollution Cleanup Account

Existing law authorizes the State Water Resources Control Board (Water Board) to authorize payment of State Water Pollution Cleanup and Abatement Account (CAA) funds to public agencies to clean up waste or abate the effects of waste on state water.

This bill would expand CAA eligibility to include specified tribes and not-for-profit organizations serving disadvantaged communities. To receive funding, agencies, organizations, or tribes must submit an application to the Water Board and possess authority to address wastewater cleanup.

FISCAL SUMMARY

According to the Water Board, the bill would have a minor, if any, impact on state operations expenditures. While the bill would expand the number of entities eligible for CAA funding, and likely result in additional CAA requests, the costs of reviewing additional requests would be minor and absorbable. The magnitude of the additional cost pressure related to this bill is unknown as no information regarding the number of eligible not-for-profit organizations or tribes likely to request financial assistance is available.

COMMENTS

The Department of Finance is neutral on this bill.

The Water Board projects the CAA will have a prudent reserve of approximately six percent in 2011-12.

Finance notes the bill allows the Water Board to authorize funds to be paid to more types of entities. However, the bill would not change the purpose of expenditures from the CAA or revise the criteria applied in determining CAA solvency before committing funds. The bill would likely result in more entities applying for CAA assistance; thus increasing competition for the same level of funds.

The CAA was created to provide public agencies with grants for the cleanup or abatement of pollution when there are no viable responsible parties available to assist in cleaning up the waste or abating its effects on waters of the state. The CAA is supported by court judgments and administrative civil liabilities assessed by the Water Board and Regional Water Quality Control Boards. Currently, only public agencies with authority to cleanup or abate waste are eligible to receive funding.

Analyst/Principal (0622) J. McGuinn	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL NUMBER

AB 1221

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
3940/SWRCB		SO	No	----- No/Minor Fiscal Impact -----						0679
<u>Fund Code</u>	<u>Title</u>									
0679	Water Quality Control Fund, State									